

Irrevocable Standby Letter of Credit To Demonstrate Liability Coverage

Director
Division of Waste Management
Department for Environmental Protection
Natural Resources and Environmental Protection Cabinet
Frankfort, Kentucky 40601

*(Name and address of
issuing institution)*

Dear Director:

We hereby establish our Irrevocable Standby Letter of Credit No. _____
(insert number)
in the favor of any and all third-party liability claimants, at the request and for the account of

(insert owner's or operator's name and address)
for third-party liability awards or settlements up to _____ U.S. dollars
(in words)
(\$ _____) per occurrence and the annual aggregate amount of
(insert amount)
_____ U.S. dollars (\$ _____), for
(in words) *(insert amount)*
sudden accidental occurrences and/or for third-party liability awards or settlements up to the amount of
_____ U.S. dollars (\$ _____) per oc-
(in words) *(insert amount)*
currence, and the annual aggregate amount of _____ U.S. dollars
(in words)
(\$ _____), for nonsudden accidental occurrences available upon presenta-
(insert amount)
tion of a sight draft, bearing reference to this letter of credit No. _____
(insert number)
and (1) signed certificate reading as follows:

Certification of Valid Claim

The undersigned, as parties _____ and
(insert owner or operator's name)
_____,
(insert name and address of third-party claimants)
hereby certify that the claim of bodily injury _____ property damage caused by a
(insert and/or)
(insert "sudden" and/or "nonsudden") accidental occurrence arising from operations of
(insert owner or operator's name) hazardous waste treatment, storage, or disposal facility should be
paid in the amount of \$ _____. We hereby certify that the claim does not apply to any of
(insert amount)
the following:

- (a) Bodily injury or property damage for which _____ is
(insert owner or operator's name)
obligated to pay damages by reason of the assumption of liability in a contract or agree-
ment. This exclusion does not apply to liability for damages that _____
(insert owner or
operator's name) would be obligated to pay in the absence of the contract or agree-
ment.
- (b) Any obligation of _____ under a workers' compensation,
(insert owner or operator's name)
disability benefits, or unemployment compensation law or any similar law.
- (c) Bodily injury to:
 - (1) An employee of _____ arising from, and in the
(insert owner or operator's name)
course of employment by _____ ; or
(insert owner or operator's name)
 - (2) The spouse, child, parent, brother or sister of that employee as a consequence of, or
arising from, and in the course of employment by _____
(insert owner or operator's name)

This exclusion applies:

- (A) Whether _____ may be liable as an em-
(insert owner or operator's name)
ployer of in any other capacity; and
 - (B) To any obligation to share damages with or repay another person who must
pay damages because of the injury to persons identified in paragraphs (1)
and (2).
- (d) Bodily injury or property damage arising out of the ownership, maintenance, use,
or entrustment to others of any aircraft, motor vehicle or watercraft.

(e) Property damage to:

- (1) Any property owned, rented, or occupied by _____
_____ ;
(insert owner or operator's name)
- (2) Premises that are sold, given away or abandoned by _____
_____ if the property damage arises out of any part of
(insert owner or operator's name) those premises;
- (3) Property loaned to _____ ;
(insert owner or operator's name)
- (4) Personal property in the care, custody or control of _____
_____ ;
(insert owner or operator's name)
- (5) That particular part of real property on which _____
_____ or any contractors or subcontractors working
(insert owner or operator's name) directly or indirectly on behalf of _____
(insert owner or operator's name) are performing operations, if the property damage arises out of these operations.

(Owner or Operator (signature))

(Name of Owner or Operator, typed)

(Claimant(s) (Signature))

(Name(s) of Claimant(s), typed)

or (2) valid final court order establishing a judgment against the owner or operator for bodily injury or property damage caused by a sudden or nonsudden accidental occurrence arising from operation of the owner or operator's facility or group of facilities.

This letter of credit is effective as of _____ and shall expire on _____
(insert date) *(insert date at least one year later)*, but such expiration date shall be automatically extended for a period of _____
(at least one year) on _____ and on each successive expiration date, unless, at least 120 days before the current expiration date, we notify you, the Director of the Division of Waste Management, and _____ by certified mail that we
(insert owner or operator's name) have decided not to extend this letter of credit beyond the current expiration date.

Whenever this letter of credit is drawn on under and in compliance with the terms of this credit, we shall duly honor such draft upon presentation to us.

In the event that this letter of credit is used in combination with another mechanism for liability coverage, this letter of credit shall be considered _____ coverage.
(insert "primary" or "excess")

We certify that the wording of this letter of credit is identical to their wording specified in 401 KAR 34:080 as such regulations were constituted on the date shown immediately below.

(Signature of Official of Issuing Institution)

(Title of Official of Issuing Institution, typed)

(insert Date)

(Name(s) of Claimant(s), typed)

This credit is subject to _____

(insert "the most recent edition of the Uniform Customs and Practice for Documentary Credits, published by the International Chamber of Commerce" or "the Uniform Commercial Code")

DEP-6035Q

(Note: Use of this wording is required by 401 KAR 34:080.)